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[Patteson Thomas Charles
(1838-1907)]

THE

CANADIAN PACIFIC RAILWAY

AND

ITS ASSAILANTS.

LETTER FROM "MOHAWK."

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LONDON: JANUA 1882.

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[Patteson, T.C.]

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LONDON : JANUARY 28TH, 1882.

THE CANADIAN PACIFIC RAILWAY AND ITS ASSAILANTS.

The subjoined letter is published and circulated by the person to whom it is addressed, one who has a kindly recollection of many happy days spent in Canada, and who would not willingly see the credit of that country made a plaything for English bears and bulls, and beasts of prey, to worry at their will.

What is advice to him, couched in general and almost conversational terms, may be of assistance to others. It will be reassuring to those already interested, and it may clear away the hesitation of the doubtful. The documents submitted for "Mohawk's" opinion have been given a wide circulation, and what harm they have been able to do, it is only a duty to try to counteract. His letter is unaltered and unabridged, except where private matters of no interest to the general reader are touched upon. The name "Ishmael," too, is substituted for that of the individual, to whom it is not thought necessary to give a gratuitous advertisement.

An extract from *Vanity Fair*, a journal whose financial article is always carefully written and to be depended on, is added by way of appendix, with two other newspaper clippings.

My Dear Major,—You pay me the compliment of saying that I am well-informed upon Canadian matters, and have had so much experience of public men and things in the Dominion, that I can give you an unbiassed opinion on the real value of the Canadian Pacific bonds, in which an old friend of yours at Montreal, where you were so long quartered, is anxious for you to invest. You send me his printed circular, and also, on the other side, four or five copies of "Financial Notes," signed "Ishmael," and containing bitter attacks not only upon the Canadian Pacific Syndicate, but on the Bank of Montreal, the Marquis of Lorne, and upon everything, in short, that is of Canada Canadian. I observe that you at once hit the nail on the head so far as this person is concerned. The pamphlet by "Diogenes," also enclosed, is from a pen held in a more velvety

glove; but coarse or fine, I suspect both writers draw their ink at the same fountain of inspiration. I think I know "Diogenes," who, at some risk of disclosing his identity, has been foolishly tempted to swagger in French, borrowing the motto of his pamphlet from the younger Dumas. I am sure I know "Ishmael," for I have seen him a prisoner in the police-court at Toronto. I am still confined to the house with severe bronchitis, and as you ask me to go into the matter fully, for the benefit of yourself and other friends at the Club, who have hitherto found Canadian investments a very profitable speculation, I can give you a day, and endeavour, without any sacrifice of time, to tell you something of the Pacific Railway and its assailants here. You may make what use you like of my letter, but I would rather you withheld my name. The signature, therefore, to this shall be a nickname which you knew right well in days of yore when Mason and Slidell were taken from the good ship "Trent." The incidents of our camping expedition will never fade from my memory. Would that we were all young again, but Anno Domini is an incurable disease. * * * *

In the earliest annals of railway history that I have ever read, the story is told how one Nelson, known as "the blackguard pitman of Callerton," undertaking to bully George Stephenson, received so severe a thrashing at the hands of the father of English railroads, that he ever afterwards left him severely alone. The tatterdemalion of seventy years ago was, perhaps, the lineal ancestor of the man now signing himself "Ishmael," and issuing a libellous sheet every week for purposes sufficiently plain to the initiated. His object in attacking Mr. George Stephen and his associates in the great undertaking known as the Canadian Pacific Railway, which will some day be an independent line from New Brunswick to Vancouver Island, is only too evident. He cannot be actuated by mere charity and benevolence, for I am not aware that he has means wherewith to pay the piper in that rather expensive *rôle*. Such a course is at variance, too, with his whole career, which I will sketch for you by-and-bye. He might be actuated by a general notion of revenge for various slights put on him in Canada; but even then his darts could scarcely be so pointed or thrown so direct. There is more *animus* than this in productions aimed at a scheme *in advance* of its appearance in the London market. Only a rival corporation could have the interest to *forestall* Mr. Stephen, the president of the road, who is daily expected in London. In time of peace they prepare for war. This is no "uninspired dullard," though he may belong to "the tag and rag and bobtail of mankind." He has thrust his stick of sulphur into many a nest he thought to smoke out, but fortunately the unprincipled persons who can be bought to wreck a concern seldom stay bought, and in the end are most expensive instruments. There are instances where they have been bought off, and some expect to find their livelihood that way. Now,

you know how much experience I have had of the unscrupulous means adopted by railways to overthrow a rival. It is not many years ago that Sir Hugh Allan came to England for the purpose of floating a company formed to construct this very road. He was met with a flood of vituperative brochures and hostile articles in the London Press, and the doughty knight of the steamships had to succumb. Everybody knew that the Grand Trunk Company had prepared this reception for him. They are now probably playing the same game over again, and one of their henchmen is this "Ishmael," whose skill in dirty work they have reason to know. The analogy between the present attack and that of the bully pitman is, in some degree, curiously correct; but it cannot be carried out to its most desirable conclusion. Mr. George Stephen cannot settle this bully with a licking; and more is the pity, for he deserves no other or gentler attention. The worst feature I see in his manœuvres is the plausible giving of his name and address, which the unwary will take as evidence of his good faith and trustworthiness; whereas an anonymous attack would carry more weight in the circles where "Ishmael" is known and appreciated. He writes perfectly confident that nobody will think it worth while to sue him for libel, and he signs his name with the same indifference that characterises the superscription of John Smith to an advertisement of the odourless removal of nuisances. There are professional scavengers who work with their coats on, and make a living less respectably than those who shovel in shirt-sleeves. This "Ishmael" is the same man who is now cutting such a ludicrous figure in the matter of Mr. Bourke and the Turkish Bondholders; but this is only one and the latest of his many appearances as a professional obstructionist.

I am not surprised that you do not remember Mr. Stephen. When you were in Canada he was climbing the ladder. He is a self-made man, and not one of the pattern which was profanely said to relieve the Almighty of a great responsibility. Born, I think, at Ecclefechan in Scotland, the home of Carlyle, he inhaled, with his native air, not a little of that famous man's characteristic intolerance of shams, and strong, untiring thoroughness. "Ishmael" twits him with "obscurity," it is true; but his obscurity in Canada consists in the fact that in a country stretching from ocean to ocean, every business man knew his name before he dreamed of being associated with the Canadian Pacific. When he accepted the Presidency of the Bank of Montreal, it was universally recognised as a good appointment. Possessed of extraordinary shrewdness and energy, he had, by dint of untiring activity, while yet in middle life, risen to be one of the merchant princes of the Colonies. Where could a fitter man have been found to head the great enterprise with which his name will now for ever be associated? If the selection of a man had been left to the associated Boards of Trade of all the towns in Canada, no name occurs to me that could for a moment

have taken precedence of his. A strong man shouldering his way through an unsympathetic world must make enemies more or less. But, despite this, I never heard or read any personal abuse of Mr. Stephen, and both political parties in Canada have treated him with unusual fairness and consideration. All this in his favour. His associates are just such men as their leader would be likely to select. Messrs. McIntyre and Angus also hail from Scotland, and have made their way to the top of the tree in Canada; the one in trade, the other in banking and finance. They are clever, hard-headed men; and the Americans who go to compose the so-called Syndicate are all necessary and carefully-chosen motors in the administrative machinery of this gigantic concern. Perhaps obscurity consists in the absence of a Lord-knows-who for chairman, and a few titled nonentities for directors, after the manner of too many English companies. I think you will agree with me that brains and commercial standing are better qualifications for a Board of Management than a flat-catching handle to one's name and the unctuous reverence of snobs. I should add that Mr. Stephen is no stranger in London society, his daughter having married a son of Sir Stafford Northcote, leader of Her Majesty's Opposition. He is a remarkable man, and one who deserves success, and is likely to command it. He is a modest man, too, and one who does not court notoriety. But he has put his name to the official memorandum of the Company, which accompanies the prospectus of the Land Bonds, and must not be surprised at the question "Who is he?" being asked.

So much for the *personnel* of the Syndicate. The value of the securities which they have offered in New York and Montreal is of greater consequence, you may think; but you will agree with me that in all such schemes there is what insurance brokers call "a moral risk," and on this point it is always well to be satisfied. They have had great experience in similar work, and are no novices at it. In 1879 these same men became the owners of the St. Paul, Minneapolis, and Manitoba Railway, which they bought chiefly from the Dutch proprietors. They carried out in this a scheme of almost unparalleled magnitude for private individuals, negotiating bonds to the amount of no less than eight millions in New York, and the undertaking has in every way proved an unequivocal success. If the Canadian Pacific ran through American instead of British soil, I do not think there would be cause for the Syndicate ever to press their securities on this market. And this is one reason why they should receive substantial support in England when they do come here.

I am a profound believer in the future of Canada's great North-West. Whether for the pasture of herds or the production of wheat, there seem to me to be "millions in it." When I know that men of capital and practical experience like Cochrane and Wiser have established ranches there for the breeding of cattle, and have invested thousands here in England in the purchase of animals destined to found great families there of Shorthorns

and Herefords, I cannot doubt the suitability of the climate and soil for their purpose. Every breeder in England knows Mr. Cochrane and his tribe of Duchesses. He is a native and Senator of the Dominion, has grown grey with years, and is only to-day tapping a cask that has been ripening all these years in a cellar at his very door. Mr. Wiser is no longer a young man, and is opposed in politics to Mr. Cochrane. These two gentlemen have put vast sums of money into their ventures, and can be animated by nothing but the idea that they will pay. What Dr. Johnson called "the potentiality of getting rich beyond the dreams of avarice" must alone have influenced them, and actions speak louder than words. Englishmen betray surprise that this agricultural paradise should have lain undiscovered or unrecognised so many years on the threshold of the old Provinces, and this begets some doubt of the stories told of its fertility and resources; but, if Mr. Cochrane had known ten years ago what he knows now, and had been equally certain of the construction of a railway to the Rocky Mountains, it may be argued that he would then have done as he has done now. What he did not know, living all his life in Canada, was not likely to be known or acted upon here.

The ingenuity of the assailants, whose writings you have forwarded to me, is amusing. "Diogenes"—writing, by-the-bye, with a very weak quill—I see, devotes himself to prove that the railway must be a failure. "Ishmael" denies the fertility of the 25 millions of acres which the Company have got from the Canadian Government as subsidy, and would, if he could, declare that the 25 millions of dollars given them as additional bonus is counterfeit coin. Then "Diogenes" publishes in an appendix an article from the *Times* of 27th October last, suggesting that some day the products of the Saskatchewan and Red River countries may find their way to England by rail running north from Winnipeg to Hudson's Bay, and showing a small saving effected in mileage, as against the route *viâ* New York or Montreal. Verily this is going far to find a spoke to put in Mr. Stephen's wheel. In this precious appendix is also reproduced an article which I was sorry to see in the *Standard*. This reprints an endorsation by the *New York World* of Professor Hind's strictures on the North-West. Now, I happen to know all about this gentleman. Guiteau would call him a crank. At the time of the Fishery award in favour of Great Britain he did all he could to rouse the Americans to repudiation of it on the ground of its unfairness to them. But the snubs then administered to him seem only to have whetted his appetite for a fresh fouling of the nest which is his own, for he is an English Professor now residing in the Maritime Provinces. It must be nearly five and twenty years ago since I first saw him. It was on the occasion of his return from this very North-West country, and he was delivering a lecture at Toronto—he was then on the staff of a college there—in which he praised the

resources and capabilities of the country to the skies. In fact, he bored his audience with the extravagance of his utterances. At that time he was also engaged in the manufacture of cheap gas under some American patent, and in the smell and smoke resulting from that failure to enlighten the people he vanished from Upper Canada. Of course, the *New York World* would be the vehicle for libels on Canada in general, and on the rival to the American Northern Pacific Road in particular. Thus has our friend of the *Standard* been hoaxed. All part of the same little game. Have I dissected these insects sufficiently, or must I go on to tell you that the Canadian Pacific Company has possessed itself of existing roads in the Province of Ontario, and in connection with them proposes to complete a road between Toronto and Montreal, which will destroy the monopoly hitherto possessed by the Grand Trunk for the carriage of goods and passengers from Ontario to ocean ports? *Hinc illæ lachrymæ;* that is where the shoe pinches.

You ask me about the railway, but I think that is because the circular from your friend in Montreal hardly puts one matter clearly enough. The bonds now placed on the market there, and subscribed for by your old friend the Bank of Montreal, are not railway bonds or debentures secured by mortgage on the road, but are bonds issued in accordance with the provisions of the Act of Incorporation, and are amply secured, in my opinion, by the Land Grant. The whole of this grant is pledged for their redemption in fifty years, and for payment of interest at 5 per cent. in the meantime. Every precaution has been taken to secure investors, and I see no loophole or weak spot. It is proposed to borrow twenty-five millions of dollars on twenty-five millions of acres, and these acres are all, in the words of the Act, to be "suitable for settlement." And so, depend on it, they are; for how could the Syndicate be such fools as to take bad land where there is plenty of the best at their service? The Government lands in the same locality are being disposed of at 2 dollars an acre, subject to actual settlement. Now, what has made the difference between to-day's value of these lands and their value when "Ishmael" and Professor Hind, over twenty years ago, visited the Red River territory? Nothing, of course, but the evidence of wiser eye-witnesses, the prospect of settlement, and the fact of the railway being built. If this has been enough to make them worth even 4s. an acre, what will they be worth as farming land when the country fills up? I remember a similar land grant of alternate sections made more than thirty years ago to the Illinois Central Road, whose stock is now at 134. Land there in 1858 was thought well sold at 15s. an acre. To-day that identical land is worth £10. Wheat is a powerful magnet, and I have no doubt thousands of farmers will find their way up West this year from the older provinces, as well as from Great Britain and

Ireland. My information from Canada is that the "boom" in Manitoba lands which originated last spring is as strong as ever, and everybody is acquiring an interest—some in a township, some in sections, and others in smaller lots. By the bye, you should know that the railway lands of the American Northern Pacific lying in what they call "the great grain belt of the Pacific slope" are advertised at a uniform rate of 10s. an acre, or more than double the sum for which the lands of the Canadian Pacific are to be pledged.

Sir Stafford Northcote's son, speaking at Exeter the other day, said well that the North-West was a treasure-chest, of which the key had been mislaid till Mr. Stephen's Company found it. There he just hits it, I think. As to the character of the country, would you rather believe two men who went there when the journey from Montreal to Fort Garry and back was a distressing pilgrimage, occupying months, or people who have done the journey there and back last month with only one change of railway carriage within ten days? You remember when the Hudson's Bay Company were traders in furs and feathers, and their stock was all down among the dead men. When they surrendered certain proprietary rights which they claimed over the North-West country, they took from the Government £300,000 in money, and a proportion of all the land surveyed—I think a twentieth. They are now in effect rather a land than a trading company, and their £17 shares are quoted at £27. Their lands are alongside the lands pledged for the redemption of the Canada Pacific bonds.

Canada's bold adoption of a protective tariff has so far resulted well. The Conservatives there argued that the circumstances, geographical and commercial, of the Dominion, made it impossible for Canada, on the borders of the United States, to any longer provide a slaughter market for surplus American manufactures. The prices of agricultural produce could only be sustained by the consumption of the manufacturing classes. To prevent the extinction of the latter, as also to raise a revenue commensurate with the requirements of the State, Protection was adopted. The result, sooner than expected, has been an overflowing Treasury; for the people being well off, they can afford to import goods regardless of a 30 per cent. duty. Canada was never more prosperous, country farmers and town operatives being alike well off, and able to buy. In fact, Free Trade is all very well if you can get the countries with which you principally deal to come into it with you. In the abstract it is a very fine thing; but even here in England concessions, which, like the handle of a jug, are all on one side, are beginning to be regarded by thoughtful persons as benevolences more appropriate to a past Quixotic era. In Canada—a comparatively poor and sparsely-populated country, lying alongside fifty millions of the 'cutest people on earth, since the abrogation of the Reciprocity Treaty, and the imposition of a high duty

in the United States, which has brought into life thousands of home manufactures—there was nothing for it but retaliation. Canada was swamped with American surplus stock, and now all she has to do is to see that she does not similarly suffer from over-production within her own boundaries.

Speaking of the States, there is one matter on which I would particularly warn you. You may have seen by a recent paragraph in the London papers that the Americans claim nearly 100,000 people as having emigrated in the past year from Canada to them. Now, I believe this to be gross and wilful misrepresentation. I do not know how many Americans came into Canada, but certainly a very great number. The Postal authorities of Canada and the States, when a reciprocal letter rate of postage was struck between the two countries, must have calculated that every letter written from one place to the other would be represented by one passing the other way. I think it is about the same with passengers; but Canada appears to have forgotten to add to its immigration statistics the numbers of Americans coming into Ontario at the Suspension Bridge, say, and passing out at Windsor *en route* for Chicago. Nor has she counted the birds of passage coming in at both ends of the Canada Southern and Grand Trunk Railways. The Americans have done this; and, considering that two-thirds of all the people who have gone into Manitoba and the North-West have left Ontario either at Windsor or Sarnia to pass through Uncle Sam's territory, and to reach Winnipeg *viâ* the Pembina Railway, it is not surprising that their touting statisticians at these points have been able and willing to note an immense number of people passing from Canada into the States! I am in a position to know that this is the true explanation of one other trumped-up charge against the prospects of the Dominion. And, as Mr. Toole says, "It does make me so wild!" As for the country being bankrupt, there were, it happens, fewer failures last year in Canada, and for a less average amount, than in any preceding year of this decade: the whole number, little and big, being but 635, with an average liability of less than £2,000.

To sum up, you cannot but know, after reading the foregoing, that I advise you, without at present going into details about the railway, to apply for the 5 per cent. Land Bonds. If you wish it, I will, at some future time, tell you what I think of the prospects of the railway. At present I will only say that no Anglo-Canadian road now being worked in Canada must be taken as affording the slightest indication of the probable outcome of this road.

The Grand Trunk has been botched by English, not by Canadian, mismanagement. The Great Western's opportunities have been lost in England, not in Canada. The Grand Trunk, as originally proposed by the Canadian Government, was a good road, and, built at reasonable expense, would have paid. It was between Toronto and Montreal. The Grand Trunk, under

an English Board of Directors, took to itself, east of Montreal, a poor and unremunerative line. To the west of Toronto it was continued in a near parallel line to the English-owned road—the Great Western. Thence, a lengthening chain of errors; but these were the first-sown seeds of the unprofitable cut-throat opposition which is in full blast to this day. Surely the Grand Trunk should be content with having posed all these years past as "the terrible example" in the face of every Canadian who has had a project to float in the English market. Its own pile of dirty linen is huge. Sir Henry Tyler should be engaged in washing it at home, and not in challenging comment. But in his visits to America he has learned a trait of the country. It is said that an Englishman corrects his mistakes before he makes them, a Yankee afterwards. Sir Henry is naturalising himself. He lives in a glass house, of which half the panes have been already broken. The other half are so exposed that a policy of conciliation would become him, or, at least, one of armed neutrality. He cannot afford to drag his coat-tail about asking somebody to tread on it. In contradistinction to the absurd, impossible, and ruinous system by which English railways worked in Canada are controlled in London, the Canadian Pacific will be managed in Canada by Canadians, and before a signal-box is put up at a station it will not be necessary to spend its cost in cable messages to and fro. It is sometimes hard and expensive for a manager in Canada to drill a hole by cable-wire into his President's head in England. The cost of the road per mile will be about a third of the capital now chargeable to each mile of the Grand Trunk Railway, and this involves a prodigious difference in the net earnings required to pay a dividend. Nothing, therefore, can be predicated of Mr. Stephen's line on conclusions drawn from the history of existing roads in Canada; least of all from the Grand Trunk narrative. Sir Henry, when he arose from the perusal of Mr. Alexander McEwan's recent reply to him, must have said to himself, "I am sorry I spoke." There is no good substitute for wisdom, but silence *is* the best that has yet been discovered. Every time he encourages an assault on Canada he sounds his own death-knell. He was once a Royal Engineer, and must have heard that men in that line of business are sometimes hoist with their own petard.

When "Ishmael" stoops to mix up Lord Lorne's name with the Syndicate, and to accuse the correspondent of the *Times* of having been bought by Mr. Stephen to say that the Great Lone Land was flowing with milk and honey, he steps into a congenial gutter, and may be left there. Lord Lorne has said nothing which his predecessor, Lord Dufferin, did not say in even more glowing terms. Lord Dufferin is now with "the sick man," but nobody knows better than he that a doctor could now look his old friend Canada square in the face, and see no money in his patient! When the detractor derides everything Canadian as unprofitable or dishonest, he is, you have good reason to know, lying to too large an order. The Oil Company he

speaks of was, no doubt, a swindle, and there may have been other wild-cat schemes started here by designing adventurers. But, on the other hand, numberless of the best investments made for income by men in the army, and others with a few thousands at their command, are in Canada. All the loan companies there have borrowed money at cheap rates here or in Scotland on their own debentures, and I know of none in default. The Bank of Montreal pays 10 per cent. to scores of English shareholders, other banks out there also having English addresses on their stock lists. The English insurance companies must be doing business in Canada for profit, and not for amusement. A very large sum has been invested by private hands in mortgages there at high rates of interest, which do not, as a rule, bear a bad name. The chief Canadian cities have borrowed money here for municipal purposes. Let us see how these securities stand in the Share List: —Toronto, 116; Montreal, 104; Quebec, 111: and so on. Canada's public debt is none too large for her infinite resources, and has all been incurred for public works and the development of the country. I presume the English people know this, or her 4 per cent. stock would not now be quoted here at 106, and her 5 per cents. at 114, which is about the price to which I expect to see the Railway Land Bonds go when the issue of the authorised amount has been exhausted.

If Canada is at present a borrower, her accumulated wealth shows a marvellously-progressive rate of increase. The paid-up capital in her chartered banks reaches a total of nearly thirteen millions of pounds sterling, and, as with America, the day will soon come when she will take the lion's share in her own commercial ventures. I know a Scotch company, by-the-bye, that has already made cent. per cent. on moneys wisely invested on speculation in Manitoba lands; and what I know as a fact is, that Mr. Sandford Fleming, the well-known Government engineer, who ran the line of the Canadian Pacific, was among the first to invest the spare savings of a life-time in these Land Bonds about which you inquire. You must remember what a wonderfully well-managed corporation the Canada Life Company of Hamilton is. There is, perhaps, in the world no company commanding more respect and confidence, or which is more practically successful. This company has taken half a million of dollars of the Canadian Pacific Land Bonds. Even that extra canny financier, Senator Macmaster, has changed the Government securities held by the Confederation Life Company for these Land Bonds. Besides this, I am told of many private individuals, but good judges, including Robert H——n, of Quebec, who have subscribed for amounts of £10,000. Sir Alexander Galt, Canadian representative in London, has just returned to London from a tour of inspection in the North-West, and I am told he is so well satisfied that he has established two of his sons there already. Now, it must be

remembered Sir Alexander was not in favour of the Canadian Pacific once on a time. The bonds could scarcely want better backing than these instances; and in view of this practical corroboration of my opinions, I need not, perhaps, have dwelt so much on other matters brought under review.

I will only add that parties purchasing tracts from the Syndicate are paying for them with the Land Bonds, as the papers you send me explain. The Trustees cancel those so paid in, which, of course, makes the remainder so much the better. I hear of one operation of this kind to the value of £60,000 sterling by one single association of gentlemen who went away together last autumn, and returned greatly impressed with the future of the North-West. The testimony, in fact, all tends one way, and Thomas Didymus could scarcely find a flaw in it.

A Yankee philosopher has said that there is no way to safety but in constant distrust, and your anxiety about your Canadian investments is natural enough. I have not said the tenth of what it was in my mind to tell you. "Ishmael's" history from the time that he went to Canada as clerk to an English delegation, with episodes of his career at Toronto and in the West, would only be of service to you as showing the little importance to be attached to his denunciations of Mr. Stephen's road. On this head you probably require nothing more. But I shall have pleasure at some future time in answering any other inquiries which you may address to me. Meantime I return you your documents, and remain yours very faithfully,

MOHAWK.

London, January 20, 1882.

APPENDIX.

CANADIAN PACIFIC RAILWAY.

(From *Vanity Fair*, January 28th.)

We have before us the prospectus and official memorandum of this Company; and though there has been, as yet, no actual placing of the securities of the Company upon the London market, they are obtainable, as the prospectus informs us, at the agency of the Bank of Montreal here, where provision is also made for payment of interest. It is well known that the Bank of Montreal has itself in Canada subscribed for a large amount of the Company's five per cent. land bonds, and now offers them for sale at par. As an evidence of value, where the case is best known, it is announced that the Canadian Government takes these bonds by way of deposit from English Insurance Companies doing business in Canada and obliged by law to deposit in the Colonial exchequer certain security for the benefit of Canadian clients. The lands on which investors are asked to lend their money are the much-heard-of acres of the so-called Fertile Belt, lying between the new prairie Province of Manitoba and the Rocky Mountains. The documents before us speak highly of the agricultural capacity of the country, but not too highly, judging from the reports brought back by many independent witnesses from the scene of action, who have been over there during the past year.

Care must be taken to distinguish these bonds from ordinary railway bonds secured by mortgage on a railroad. The road may be a success or a failure. These particular bonds are not dependent for their ultimate value on the financial success of the road. The concession in all comprises twenty-five millions of acres, and on it land bonds to the amount of twenty-five millions of dollars—or one dollar per acre, its value as wild lands—are to be issued. There is abundant evidence however that the road must be built, and will be built, west from Winnipeg, the capital of Manitoba, through a level and easily-traversed country, to go a distance of 800 miles—that is, to the limit of what, for present purposes, may be said to be the famous north-west wheat-growing district. This is the territory visited by the deputation of Scotch and English farmers in 1880, and since that time thoroughly explored and surveyed, and made the medium of immense transactions by Companies and individuals with a view to settlement at a much higher rate than one dollar per acre. Whether eventually its products come to Europe by way of Hudson's Bay—a project first broached in this journal several years ago—or by the highways on land and ocean now in use, good judges believe that a new granary is being opened for English consumers, of which it is almost impossible to exaggerate the magnitude and importance. That the lands offered as security by the Canadian Pacific Company are good value may be inferred from one of the terms of their bargain with the Government —namely, that the whole twenty-five millions of acres constituting their land grant were to be *fit for settlement*. It is impossible to conceive therefore that they have chosen or accepted barren and indifferent lands,

for great as it sounds in English ears, twenty-five millions of acres by no means represents the majority of fertile acres within the district in question.

In considering these land bonds as an investment it should be carefully noted that at present we are not dealing with the railway as such, but merely with a Land Company. The prospects of the railway, we believe, are excellent, but once that part of the road is built and worked which passes through the territory in question, the alleged difficulties of construction in British Columbia, to the west of the Fertile Belt, and north of Lake Superior, to the east of it, need not be noticed either for refutation or corroboration in connection with the land bonds. For what it is worth, the investors in these bonds will have of course the Company's covenant, and will so far be interested in its success; but what they may implicitly depend upon is the actual and intrinsic value of the lands conveyed to trustees for their benefit. It is curious that in advance of any attempt on the part of the Company to float its land bonds on the London market, determined and organised opposition has been shown to them, with a view, no doubt, to keep them away, but professedly in the interest of the public. This is indeed extraordinary philanthropy on the part of a self-elected Salvation Army, and would generally be taken as evidence of a self-interested motive on the part of the opponent; perhaps an American rival running on a little lower parallel of latitude, or perhaps an Anglo-Canadian line, with American connections, jealous of a road which will be a competitor for the carriage of cereals from and through the Province of Ontario to the sea-board, and of European imports and immigrants the reverse way. It is not worth while discussing the how and the why of this little plot; but we say emphatically that, other things being equal, there is no reason why the British public should not support a road which will be a trans-Continental highway on British soil from the Atlantic to the Pacific. London, at any rate, should not be made the arena for American intrigue against what is in one sense a great Imperial project. The building of this road was a condition of the Confederation, which included the Pacific Crown Colony of British Columbia, and was known to be so by the English Parliament which in 1867 passed the Act of Union. Subsequently Lord Carnarvon decided that Canada was obliged to go on at once with the construction of the road, and both parties in Canada are pledged to its completion. The Government of Canada has presented the Company with twenty-five millions of dollars in cash, the same number of acres, and more than the same number of additional millions of dollars in the shape of 500 miles of road completed by the Government through the most difficult and least profitable parts to be traversed. The Company therefore has a considerable bonus to start with, besides a proprietary whose own capital is understood to be large. A fact in favour of the Company is that the Bank of Montreal should have taken a large quantity of the land bonds. There are few stabler financial institutions than this, and only two or three banks in the world with a larger paid-up capital and reserve. Its shares are at a premium of 100 per cent., and very many of them are held in this country.

CANADA v. THE UNITED STATES.

(From the *Globe*, London, January 28th.)

Our American cousins have been inclined to regard with cynical complacency the position of dependence on foreign supplies of the necessaries of life in which that country is placed. Our necessity, they consider, is their opportunity, and undoubtedly the enormous quantity of food stuffs which this country has imported from the United States during late years has been the means of enriching that favoured land to the extent

of millions sterling. But a competitor, whom the people of the States will not be able to ignore much longer (states *Iron*), is being now rapidly developed in the shape of the vast north-western districts of Canada. Ex-Governor Seymour, of New York, has issued a note of warning to his countrymen, bidding them beware of the action of this new factor upon the problem of the international commercial policy of the three nations. The inhabitants of the United States will soon be no longer able to call their country, as they are so fond of doing, "the granary of the world;" for according to this authority, there is a tract of land in the north-west of British America, which is capable of producing as much wheat as all the countries bordering on the Baltic, the Black Sea, and the Mediterranean combined. When the Canadian Pacific Railway is completed, this territory will be brought within a distance of Liverpool 600 miles less than any point in Dakota, whilst the greater economy used in the construction of the line will enable lower freight rates to be accepted. Ex-Governor Seymour is not at all likely to exaggerate matters to the prejudice of his own country, and it will be matter for congratulation if England is ever able to benefit a colony of her own by drawing from it the supplies of wheat for which she has had, hitherto, to look to the United States almost exclusively.

(From recent correspondence of the *Globe* (Toronto), a paper *bitterly opposed to the Canadian Pacific Railway Company.*)

"Farmers who took up land in Dakota (the territory adjoining Manitoba) in 1879, at one dollar and a-half, could sell out to-day at twenty or thirty dollars an acre, so great is the demand for farming property in that territory."

Proceeding then to call the Syndicate a large monopoly, and to point out the magnitude of their subsidy and other facts, which all go to prove the goodness of its land bonds, the correspondent naïvely says:—

"Any sane man would suppose that when the Government voted away as a bonus the sum of 25 millions of dollars in gold, 25 millions of acres of land (*well worth to-day one hundred millions* of dollars), handing over about 850 miles constructed and in full working order, allow material for construction to be imported free of duty, and exempted the road-bed, rolling stock, &c., from taxation for ever, and giving them the line in perpetuity, that enough had been done by way of bonus, without locking the door of this Continent against the possibility of competition to carry the farmers' products to the sea-board."

Verily, the *Toronto Globe* furnishes their enemy with the best possible certificate for its purposes!